

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

Annual Compliance Report, 2021

Docket No. ACR2021

CHAIRMAN'S INFORMATION REQUEST NO. 13  
AND NOTICE OF FILING UNDER SEAL

(Issued February 10, 2022)

To clarify the basis of the Postal Service's FY 2021 *Annual Compliance Report* (ACR), filed December 29, 2021,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than February 17, 2022.

**Customer Access and Satisfaction**

1. Please explain how the Postal Service is maintaining or expanding customer access to postal services in rural or remote areas as well as underserved postal communities. In the response, please:
  - a. Describe specific steps taken to expand customer access in response to the COVID-19 pandemic.
  - b. Describe any plans or initiatives the Postal Service has to maintain or improve customer access to postal services in rural or remote areas and underserved postal communities during the COVID-19 pandemic and in future years.

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<sup>1</sup> United States Postal Service FY 2021 *Annual Compliance Report*, December 29, 2021 (FY 2021 ACR).

2. The Postal Service states it earned \$2.5 billion in alternate access revenue in FY 2020.<sup>2</sup>

- a. Please fill in the following table with information on revenue from alternate access channels.

**Revenue by Alternate Access Channel**

<b>Alternate Access Channel</b>	<b>FY 2020 Revenue</b>	<b>FY 2021 Revenue</b>
<b>Total Revenue from Alternate Access Channels</b>	\$2.5 Billion	

- b. For each alternate access channel, please:
- Describe each channel and explain what transactions are included for each channel.
  - Provide the number of transactions and revenue by class or product. If either or both of these data are not available, please explain why.
  - Explain how the data for each channel are generated. In the response, please explain how data for each channel are identified and how overlap is avoided.
  - If one of the alternate access channels is called “Other,” “Miscellaneous,” or something similar, please describe the types of transactions that are included in that channel.

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<sup>2</sup> United States Postal Service, Postal Facts – A Decade of Facts & Figures, available at <https://facts.usps.com/table-facts/>.

3. Please refer to the Retail Revenue by Channel table filed in Docket No. ACR2020.<sup>3</sup> Please confirm that the retail revenue channels listed in this table include revenue from each alternate access channel listed in question 2. above.
- If confirmed, please explain how the retail revenue channels account for revenue from alternate access channels.<sup>4</sup>
  - If not confirmed, please provide a list of retail revenue channels that includes revenue from alternate access channels.
4. For each retail revenue channel listed in response to question 3. above, please:
- Fill in the following table.

**Retail Revenue by Channel**

<b>Retail Channel</b>	<b>FY 2021 Revenue</b>	<b>Share of Total Retail Revenue</b>	<b>Change from FY 2020</b>
<b>Total Retail Revenue</b>			

- Describe each channel and explain what retail revenue is included.
- Provide the number of transactions and revenue by class or product. If either or both of these data are not available, please explain why.
- Explain how the data for each channel are generated. In the response, please explain how data for each channel are identified and how overlap is avoided.

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<sup>3</sup> Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-38 of Chairman's Information Request No. 1, January 19, 2021, question 2.

<sup>4</sup> *E.g.*, revenue from alternate access channels is included in one of the retail revenue channels.

- e. If one of the retail channels is called “Other,” “Miscellaneous,” or something similar, please describe the types of transactions that are included in that channel.
5. Please refer to Response to CHIR No. 1 filed in this docket.<sup>5</sup> The Postal Service reports there were 441 Village Post Offices (VPOs) at the beginning of FY 2021. Response to CHIR No. 1, question 3. 27 VPOs closed, resulting in 414 VPOs at the end of FY 2021. *Id.* By contrast, in Response to CHIR No. 1, question 6, the Postal Service reports that there were 442 VPOs at the end of FY 2020/beginning of FY 2021. Please provide the correct number of VPOs at the beginning of FY 2021, and reconcile any discrepancies between Response to CHIR No. 1, questions 3 and 6.<sup>6</sup>
6. The Postal Service explains that several factors contributed to increased wait time in line in FY 2021, including increases in walk in revenue, non-revenue packages and drop offs, and passport services, as well as reduced employee availability during the COVID-19 pandemic. Response to CHIR No. 1, question 7. Please explain how the Postal Service plans to improve wait time in line in FY 2022 and future years. In the response, please describe specific actions, strategies, or initiatives that are designed to address the factors contributing to increased wait time in line, including reduced employee availability.
7. In the FY 2021 ACR, the Postal Service reports that the Self-Service Kiosk (SSK) Prepaid Acceptance Pilot was expanded to all SSKs in December 2020, which resulted in customers “recognizing a reduction in wait-time-in-line and corresponding improved customer experience as a result of the reduction in traffic at the retail counter.” FY 2021 ACR at 61-62. Please explain how the SSK

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<sup>5</sup> Responses of the United States Postal Service to Questions 1-29 of Chairman’s Information Request No. 1, January 18, 2022 (Response to CHIR No. 1).

<sup>6</sup> For example, if there were 442 VPOs at the beginning of FY 2021, and 27 of them closed, there would be 415 VPOs at the end of FY 2021.

Pilot reduced wait time in line and improved customer experience considering that wait time in line increased in FY 2021.

8. In the FY 2020 ACD, the Commission recommended that the Postal Service “consider asking about service performance for each [Market Dominant] mailing service to provide further insight into customer satisfaction with specific mailing services and to allow the Postal Service to assess how service performance results affect customer satisfaction with those mailing services.”<sup>7</sup> The Delivery and Large Business Panel surveys currently ask about overall customer satisfaction with specific Market Dominant mailing services. See FY 2021 ACR at 73-74. Please explain whether the Postal Service has considered also asking questions about customer satisfaction with service performance for specific Market Dominant mailing services in the Delivery and Large Business Panel surveys. If the Postal Service decided not to add these questions to the surveys, please explain why.

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<sup>7</sup> Docket No. ACR2020, *Annual Compliance Determination Report*, Fiscal Year 2020, March 29, 2021, at 234 (FY 2020 ACD).

**Service Performance**

**For the following questions, if the Postal Service chooses to respond using a graphical representation of data, please also file the underlying data in the form of an Excel spreadsheet. Such spreadsheets shall preserve all data links and show all formulas used, including volumes and other weighting factors.**

9. Please refer to the FY 2020 ACD at 115, which the Commission noted that certain Areas had increased proportions of Critically Late Trips (CLTs) relative to FY 2019, and recommended that the Postal Service “investigate the underlying reasons for proportional increases and attempt to cross-apply the best practices used by the Capital Metro, Eastern, and Northeast Areas, each of which contributed a lower proportion of nationwide CLTs in FY 2020 than in FY 2019.” Did the Postal Service perform any such investigation in FY 2021?
  - a. If yes, please explain in detail the methodology and results of the investigation.
  - b. If no, please explain why the Postal Service did not perform such an investigation.

**Domestic Competitive Products**

10. Please see Attachment, filed under seal.
11. Please see Attachment, filed under seal.
12. Please see Attachment, filed under seal.
13. Please see Attachment, filed under seal.
14. Please see Attachment, filed under seal.
15. Please see Attachment, filed under seal.
16. Please see Attachment, filed under seal.
17. Please see Attachment, filed under seal.

18. Please see Attachment, filed under seal.

By the Chairman.

Michael Kubayanda